Principles to be Considered in Developing a New Compensation Program

Principle 1

The reimbursement or compensation program should result in a "Library of California" program that is relatively easy for the public to understand and relatively painless for the public to access.

While the consultants presume that the compensation program will be invisible to the end user, we believe that the compensation method selected must encourage broad participation of libraries without imposing onerous or confusing requirements or regulations on the public.

Principle 2

The reimbursement or compensation program should encourage, rather than discourage, the appropriate use of interlibrary loan and direct loan.

Interlibrary loan and direct loan should supplement rather than replace local/primary library service. The compensation program that is put in place should recognize the responsibility of local/primary libraries to address the basic library and information needs of their home clientele. Interlibrary loan protocols should reflect an expectation that participating libraries should be a dependable source of information for the users in their service area or within their institution.

Principle 3

The reimbursement or compensation program should optimize the use of state dollars for purposes that result in better library service rather than support for administrative/record keeping functions.

If the compensation program requires the collection of transaction data, automated systems should be used to the greatest practicable extent to capture the required information. Data collection should not be burdensome for participating libraries or for the agency(ies) that administers the program.

Principle 4

The reimbursement or compensation program should encourage the participation of as many libraries as possible and as many types of libraries as possible.

The Library of California concept attempts to provide the public with a seamless system of library and information services. This end can only be accomplished if a large number of libraries participate in the program. Incentives for initial and ongoing participation should be integral to the program.

Principle 5

The reimbursement or compensation program should encourage resource sharing within regions.

Both the size and the diverse nature of the State of California suggest that some regional component should be included in the compensation program. A one-size fits all program is unlikely to be satisfactory in all areas. The involvement of local librarians in decision making within regions and interaction between nearby libraries can lead to cooperation and coordination that goes beyond the scope of the Library of California program. Furthermore, the existence of regional automation systems and delivery systems provide building blocks on which effective and efficient resource sharing can be built.

Principle 6

The reimbursement or compensation program should promote the use of efficient library practices such as the use of electronic interlibrary loan systems.

The compensation program that is selected should encourage new, efficient resource sharing practices. Virtual catalogs, patron-initiated unmediated interlibrary loan, and electronic document delivery should be promoted rather than discouraged.

Principle 7

The reimbursement or compensation program should provide payments that are meaningful but should reflect handling costs rather than complete value of transactions.

It is impossible to determine the value of an interlibrary loan or direct loan transaction to an end-user. It is somewhat easier to determine what a specific transaction costs an individual library. However, basing compensation on the highest cost transactions tends to reward spending rather than service.

Libraries must also consider that their primary clientele receive value from the Library of California program in that they can access the holdings of other libraries. If a transaction based compensation system is selected, it should address transaction-related costs rather than the initial cost of purchasing the item, costs associated with housing the item, etc.